

Attachment 3

The following new text will be added to the “Assisted Housing Mobility Programs” section in Chapter XI, *Best Housing Practices*:

Chicago Regional Housing Choice Initiative Program

The Chicago Regional Housing Choice Initiative (CRHCI) program was established in 2012 as a three-year demonstration project with \$1 million in funding from HUD. The project will study the effects of mobility counseling and housing opportunities on households and neighborhoods, and administrative and financial savings to public housing authorities (PHAs), for regional administration of a pool of vouchers contributed by the eight participating PHAs.¹ The CRHCI program is being carried out by a number of partners, including the Regional Housing Initiative (RHI), which is a consortia of six PHAs, the Illinois Housing Development Authority, and the Metropolitan Planning Council (MPC), a non-profit organization in the Chicago metro area. Other partners include the Metropolitan Mayors Caucus, the Chicago Metropolitan Agency for Planning, the Chicago Alliance to End Homelessness, and additional non-profit organizations. The primary goals of the project are to assist households with moving into areas of the Chicago metro area with job and educational opportunities, referred to as opportunity areas, and to reduce costs for PHAs and participating households. The program includes both tenant-based and project-based components.

The CRHCI proposal to HUD identified the primary barriers to mobility and regional voucher coordination as administrative burdens, expense, lack of mobility counseling, disincentives within the Section 8 Management Assessment Program (SEMAP) scoring due to a 60-day limit on finding housing for voucher-holders, and budget and programmatic fragmentation within the region. Funding and program changes have been approved by HUD to address many of these issues through the CRHCI program. The funding proposal also requested an increase in the rent limit for vouchers in opportunity areas to 130 percent of area fair market rent (FMR) and establishment of a regional central reserve fund to offset losses to PHA funds for moves to opportunity areas, in recognition that opportunity areas generally have higher-cost housing. These requests are still under consideration by HUD.

The CRHCI program will serve a minimum of 325 households in a borderless region for the geography covered by participating PHAs.² Of these, 200 will be households that already hold Section 8 Housing Choice Vouchers in “traditional areas” of the Chicago metro area that are interested in moving to opportunity areas defined in the program’s administrative plan. The remainder will be households recruited from existing PHA waiting lists to be

¹ *Partial transfer of vouchers by a PHA to another PHA or administering body requires approval from HUD.*

² *Participating PHAs include the six PHAs that belong to the RHI consortia (Chicago Housing Authority, Housing Authority of Cook County, Lake County Housing Authority, McHenry County Housing Authority, Housing Authority of Joliet, and the Waukegan Housing Authority), and the Oak Park and DuPage Housing Authorities.*

placed in project-based voucher units located in opportunity areas. A significant component of the program is mobility counseling, including assisting households in moving to opportunity areas through:³

- Introducing households to the community, including transportation, local support organizations, and schools
- An incentive that provides \$500 to tenant-based voucher holders for moving costs
- Credit counseling
- Good neighbor, budgeting and financial management, home maintenance, and conflict resolution programs
- Rental application assistance
- Expedited unit inspections and rent determinations on behalf of partnering PHAs
- Follow-up visits after three months to assess tenant needs, and referrals to address needs.

The project-based program is a continuation of a program established by the Regional Housing Initiative (RHI) in 2002. The RHI program has resulted in the construction of 312 subsidized housing units in 19 developments across the Chicago metro area. The RHI is expected to expand capacity with new funding resulting from its absorption into the CRHCI. Additional project-based program features identified in the administrative plan include:⁴

- The Illinois Housing Development Authority Low Income Housing Tax Credit (LIHTC) Qualified Allocation Plan (QAP) will allocate six additional points to developments approved by the RHI due to similar goals of developing affordable housing near jobs and transit (opportunity areas)
- The participating PHAs are expected to expand the existing regional pool of 350 project-based vouchers, which has been exhausted
- Mixed income developments are encouraged and proposals for elderly-only housing are not eligible under the RHI program, although households headed by elderly persons are eligible to occupy project-based voucher units. Up to 25 percent of units in a multi-family proposal may receive voucher assistance. The 25 percent cap also applies on a building-by-building basis in multiple building developments
- Developments intended for occupancy by persons with disabilities may receive RHI vouchers for up to 100 percent of units; however, RHI will not provide funding for special services
- Proposals that include units that have been subsidized using public housing funds or other forms of project-based assistance are not eligible
- Developments located in low poverty census tracts are encouraged.

³ *Three different groups of program participants will be evaluated to determine the impact of mobility counseling: tenant-based households that receive counseling and financial incentives, tenant-based households that only receive a financial incentive, and project-based households with the option of receiving counseling.*

⁴ *The administrative plan includes an extensive proposal selection process.*

The CRHCI will also establish a centralized waiting list for households interested in RHI project-based vouchers. The centralized waiting list is intended to facilitate a simplified process for both property owners and PHAs to place interested households. The list will be comprised of interested households from the participating PHA's tenant-based voucher waiting lists. Households will have the opportunity to be placed in any of the PHA jurisdictions. The administrative plan also includes an extensive process for waiting list formation and criteria for tenant eligibility.

RHP AC MINS MTG 18 - 5/23/12 ATTACH 3 CHAP XI INSERT (00204538).DOC
KRY/NMA/BRM
6/5/12